

INFORMATION AND INSTRUCTIONS FOR COMPLETING THE  
**SPECIAL FUEL BLENDER TAX RETURN****OVERVIEW:**

Tax returns accompanied by the payment must be filed **monthly and must be postmarked by the twenty-fifth of the month following the reporting period.**

If the tax is paid by electronic funds transfer (EFT), the net amount due the state (Line 16) shall be submitted on or before the 10th calendar day of the 2nd month immediately following the reporting period, except May of each year when the tax will be due on the last business day of June. For example, if the tax return is due January 25th, moneys are due on February 10<sup>th</sup>. *The tax **must** be paid by electronic funds whenever the amount due is fifty thousand dollars (\$50,000) or more.* Each year, the department will provide a reporting and EFT payment schedule.

Round all reported gallons to the nearest whole gallon. Convert liters to gallons at the rate of 3.785 liters per gallon. Negative figures are not allowed on Lines 1 through 8 or on Schedules A and B.

Negative or credit dollar amounts must be enclosed in parentheses.

**REQUIRED FORMS/DOCUMENTS:**

- Washington Special Fuel Blender Tax Return (Form FT-441-759)
- Fuel Tax Multiple Schedule of Receipts (Form FT-441-846)
- Fuel Tax Multiple Schedule of Disbursements (Form FT 441-841)
- Support Schedule for Washington Power Pumping and PTO Credit (if applicable) (Form FT-441-244)
- IFTA Authorization Schedule of Disbursements (if applicable) (Form FT-441-779)

**RECORDS YOU WILL NEED:**

Records must be kept for five (5) years for all Special Fuel received, sold, distributed or used for own consumption. These include invoices, bills of lading, and other papers as required by the Department.

Use either gross or net gallons (temperature corrected to 60 degrees) consistently throughout your tax return.

When title or possession passes, a distribution has occurred (Example: "book transfer" or "exchange"). Physical movement of fuel is **not** a requirement for a distribution to take place. A transaction that merely settles an exchange balance without a transfer of title or possession is not a distribution.

**TAX RETURN INSTRUCTIONS:**

**Computer generated forms will be accepted if the format is identical to that of the Department.**

**NOTE:** *It is advisable to complete Schedules A and B prior to entering amounts on the tax return as several entries come from these schedules.*

- Enter the year and month for which the tax return is being submitted.
- Place an "X" in each box that applies.
  - **No Operations:** If you had no Special Fuel operations during the reporting period, you must still file a tax return to avoid revocation of your Special Fuel Blender license.
  - **Amended Returns:** To report changes for a previous tax reporting period, an amended tax return must be filed for that specific period. Amended tax returns must be filled out completely, rather than showing only the changed amounts. These changes should not be included in the current tax return.

Note: The procedures for calculating the penalty, interest and the net amount due are different for amended returns. (See instructions)

- **Late Returns:** Late returns require payment of penalty and interest, if taxes are due.
  - **Name Change:** You must provide your current business name. If you just purchased or incorporated your business, a new application for license must be completed.
  - **Address Change:** Please provide both the correct physical and mailing address(es).
- Your **NAME, LICENSE NUMBER** and **ADDRESS** must appear on the tax return. If the tax return is **NOT** pre-printed, type or print the name and license number as shown on your Special Fuel Blender license.
- Cancel License:** To cancel your license, place an "X" in the box and indicate an effective date. This date must be the actual date you ceased business operation or the date you wish to surrender your license. A tax return must be submitted through the effective date of cancellation. All fuel taxes must be paid on remaining inventory.

**Line 1.** Enter your physical inventory of non-dyed Special Fuel in bulk storage (in Washington only) at the beginning of the tax reporting period. This amount must be the same as the ending inventory reported on

your previous tax return

**Line 2.** Enter total of non-dyed Special Fuel received (Total from Schedule A).

**Line 3.** Enter your physical inventory of non-dyed Special Fuel in bulk storage (in Washington only) at the end of the tax reporting period.

**Line 4.** Compute total accountable gallons (Line 1 plus Line 2 minus Line 3).

**Line 5.** Enter tax exempt gallons distributed (Total from Schedule B).

**Line 6.** Enter taxable gallons (Line 4 minus Line 5).

**Line 7.** Enter the number of non-dyed Special Fuel gallons claimed for Washington power take-off credit. Complete the Supplemental Support Schedule of PTO and Power Pumping Credit and attach to the tax return.

**Line 8.** Enter the amount of fuel on which the tax was paid that was used in blending. (Line D4 from Schedule D)

**Line 9.** Enter net taxable or credit gallons (line 6 minus line 7 minus line 8).

**Line 10.** Compute the Special Fuel Tax (line 9 times fuel tax rate)

#### **PENALTY COMPUTATION**

**Line 11.** If taxes are not paid by the due date, multiply Line 10 by 10%.

For an **amended** tax return, compute Line 10 minus any amounts paid on or before the original due date of the return. If the result is zero or less, no additional interest or penalty is due. If the result is greater than zero, multiply this amount by 10% and enter the amount here.

**Line 12.** Enter the sum of line 10 plus line 11.

#### **INTEREST COMPUTATION**

**Line 13.** If Line 12 is greater than zero, multiply that amount by 1% (compounded interest) by the number of months the tax return is late. A partial month is considered a full month. Interest is due the first day of the month following the payment due date. See schedule provided by the Department.

For an **amended** return:

- (a) deduct any amounts paid on or before the original due date of the tax return from Line 10.
- (b) add the amount from Line 11.
- (c) multiply the result by 1% (compounded interest) by the number of months the payment is late.

**Line 14.** Enter the total fuel tax liability (line 12 plus line 13).

**Line 15.** If this is an **amended** tax return, enter all payments applicable for this reporting period.

**Line 16.** If the total of line 14 minus line 15 is greater than zero, this is the amount owed.

Checks should be made payable in United States funds to the Washington State Treasurer.

All payments of \$50,000.00 or greater **must** be made in electronic funds. If you are using this method, place an "X" in the EFT box.

**Line 17.** If the total of line 14 minus line 15 is less than zero, this is the net refund amount.

If the credit is \$2,000 or more, copies of Washington tax paid invoices supporting Line A1 must accompany the tax return. The Department **MAY** request copies of invoices to support refund claims for less than \$2,000. Original invoices must be retained for audit purposes.

PLEASE SIGN, DATE, PROVIDE TITLE AND TELEPHONE NUMBER (including area code) OF PERSON SIGNING. INCLUDE CONTACT NAME AND PHONE NUMBER

Mail the tax return (with payment, if applicable) to:

Department of Licensing  
Fuel Tax Section  
PO Box 9048  
Olympia, WA 98507-9048

For information, call (360) 664-1852

#### **INSTRUCTIONS FOR COMPLETING SCHEDULE A**

**Line A1.** Enter **ALL** non-dyed Special Fuel gallons purchased/received on which you have **paid the Washington Special Fuel Tax**. Transfer Line A1 to Line D2 of the tax return. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

**Line A2.** Enter **ALL** non-dyed Special Fuel gallons purchased/received on which you have **not paid the Washington Special Fuel Tax**. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

**Line A3.** Enter all gallons of blend stock received/used. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return. Identify the blend stock and the number of gallons purchased/used in producing Special Fuel.

**Line A4.** Other (explain). Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

**Transfer the total of fuel received (lines A1 through A4) to Line 2 on front of the tax return.**

## INSTRUCTIONS FOR COMPLETING SCHEDULE B

**Line B1.** Enter number of Special Fuel gallons sold to Washington licensed Suppliers without charging the fuel tax. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

**Line B2.** Enter number of Special Fuel gallons sold to exempt public agencies/offices. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

**Line B3.** Enter number of Special Fuel gallons sold to qualified foreign diplomatic consular missions and their personnel. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

**Line B4.** Enter number of Special Fuel gallons used off highway.

**Line B5.** Enter the number of Special Fuel gallons that is blended into non-fuel products. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

**Line B6.** Enter the number of Special Fuel gallons sold to Distributors/IFTA carriers with Authorization. Complete Authorization Schedule of Disbursements and attach to the tax return.

**Line B7.** Enter the number of gallons of Non-Dyed Diesel Rebranded to Dyed Diesel.

**Line B8.** Other (explain). Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

**Transfer the total of fuel distributed (lines B1 through B8) to Line 5 on the tax return.**

## INSTRUCTIONS FOR COMPLETING SCHEDULE C

Enter the number of Dyed Diesel gallons sold in Washington only.

## INSTRUCTIONS FOR COMPLETING SCHEDULE D

**Line D1.** Enter your physical inventory of non-dyed Special Fuel, in bulk storage **(in Washington only)** at the beginning of the tax reporting period, for which the Special Fuel tax has been paid. This amount must be the same as the ending inventory reported on your previous tax return.

**Line D2.** Enter the number of gallons of non-dyed Special Fuel purchased/received on which you have paid the Washington Special Fuel Tax. (This should be the same figure as Line A1).

**Line D3.** Enter your physical inventory of non-dyed Special Fuel, in bulk storage **(in Washington only)** at the end of the tax reporting period, for which the Special Fuel Tax has been paid.

**Line D4.** Total of Line D1 plus Line D2 minus Line D3. This amount represents the amount of non-dyed Special Fuel for which the Special Fuel Tax has been paid and distributed during the tax-reporting period.